

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 374 - HB 408

March 19, 2023

SUMMARY OF BILL: Prohibits a utility from shutting off energy delivery to a residential property if a state of emergency has been declared due to weather or if temperature levels would be a threat to health or safety if energy is shut off.

Requires the Department of Health (DOH) to post on its website and notify utility companies the temperature levels at which such entities are prohibited from terminating power.

Provides that the Utility Management Review Board (UMRB) and the Tennessee Public Utility Commission (TPUC), as applicable, have enforcement over such entities for a violation.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation applies to entities that deliver energy that powers heating or cooling to a residential property and would, therefore, apply to state-owned, locally-owned, and public utilities that provide electricity and natural gas.
- The DOH will be able to post on its website and notify utility companies the temperature levels at which a utility is prohibited from terminating services to a property utilizing existing resources and staff, resulting in no increase to state expenditures.
- The proposed legislation provides the UMRB and the TPUC, as applicable, with enforcement authority over a violation committed by a utility. However, the language does not specify what "enforcement authority" entails nor create a penalty for a violation.
- It is assumed that the proposed legislation will not result in any significant fiscal impact to either the UMRB or the TPUC.
- Prohibiting a state-owned or locally-owned utility from terminating energy to a residence in certain instances may result in a temporary decrease in revenue to that utility.
- It is assumed that the decrease in revenue will be recovered through payment of the full amount of any electricity or natural gas used by the customer, resulting in no significant impact to state or local revenue.

- Since the proposed legislation does not specify any penalty or fine for a utility that commits a violation, it is not expected that there will be any increase to state or local expenditures.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Prohibiting a public utility from terminating energy to a residence in certain instances may result in a temporary decrease in revenue to that utility.
- It is assumed that the decrease in revenue will be recovered through payment of the full amount of any electricity or natural gas used by the customer, resulting in no significant impact to business revenue.
- Since the proposed legislation does not specify any penalty or fine for a public utility that commits a violation, it is not expected that there will be any increase to business expenditures.
- The proposed legislation is not expected to have any impact on jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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